

1867
OBSERVATIONS
On Raising the
VALUE
OF
MONEY.

Wherein the Interest of Ireland is
particularly Consider'd.

In a Letter to a Friend.

Ignotum Argenti Pondus & Auri. Virg.



D U B L I N:

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OBSERVATIONS

On the Raising the Value of

MONEY, &c.



Wicklow, May the 8th. 1718.

SIR,

I Had the favour of yours of the 3^d Instant, wherein you tell me among other things, that the City of DUBLIN is much alarm'd by a Report spread abroad, that the GOLD Coins were to be Reduc'd and Lower'd in proportion to the SILVER, in order to keep the SILVER in the Kingdom: As also, that a Proclamation would come out to enforce the Weighing of Foreign GOLD Coins as formerly.

For my part, I don't know what you Citizens may think of it, but we Country Gentlemen, who are not Strangers to Business, and have leisure to read Books, and to make Observations on the Practice of other Nations in Trade and Money-matters, are fully convinc'd that such Regulations are very necessary, and worthy the Care and Consideration of the Government: And to satisfy you, that I am not a Novice in my Opinion, I have presum'd to trouble you with a short Essay upon Raising the Value of Money, with the Sentiments of such Authors as have consider'd it with most perspicuity of Judgment.

SIR William Petty, who was Surveyor-General of Ireland, and consequently no stranger to the Affairs of this Kingdom, has a Chapter in his *Political Anatomy of IRELAND*, Printed in the Year, 1691. to this purpose, Money (says he) is understood to be the uniform Measure and Rule for the value of all Commodities. But whether in that Sense, there be any Money, or such Rule in the World, I know not; much less in Ireland, tho' most are perswaded that GOLD and SILVER Money is such. For 1st, The Proportion of Value between pure

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pure GOLD and fine SILVER alters, as the Earth and Industry of Men produce more of the one than of the other; that is to say, GOLD has been worth but Twelve times its weight in SILVER; of late it has been worth Fourteen, because more SILVER has been gotten. So that there can be but one of the Two Mettles of GOLD and SILVER to be a fit Matter for Money. Wherefore if SILVER be that one Mettle fit for Money, then GOLD is but a Commodity very like Money, and that elsewhere as well as in *Ireland*.

Secondly, The Value of Silver rises and falls it self; for Men make Vessels of Coynd Silver, if they can gain by the Workmanship enough to defray the Destruction of Coinage, and withal more than they could expect by employing the same Silver as Money in a way of Trade. Now the Accidents of so doing, make Silver rise and fall, and consequently take from the perfect Aptitude for being an uniform steady Rule and Measure of all things.

The Mischiefs and Inconveniencies before-mentioned are common to all Times and Places, but in *Ireland* are more particular, and stand thus, viz. A Piece of 8 *Rials* being full 17^{dy} weight, passeth for 4s. 9d. but if it want but half a Grain of the weight (tho' half a Grain of Silver be worth but the 4th part of a Farthing, or 16th part of a Penny) then it passeth for 3d. less, viz. 4s. 6d. And if it weigh ten Grains above 17^{dy} weight, it passeth but for 4s. 9d. On the other hand, if it weigh but 12^{dy} weight, it passeth nevertheless for 5s. 6d. And if the Silver be coarse, (if not so coarse as not to be called Silver) yet still it passeth for the same. Moreover the Fineness cannot be determined by common Eyes at all, by the best not within 4d. in an Ounce, by the Touchstone not within 2d. and by the Test it self, not within an Halfpenny. Lastly, the Scales and Weights differ so much from each-other, as what is 4s. 9d. in one House, is but 4s. 6d. in the next; and so *vice versa*. From whence it comes to pass, that all Pieces weighing above 17^{dy} weight are cull'd out to buy or make Pieces of 14^{dy}. weight pass for 4s. 6d.

Thirdly, Other Species of Coin, which *pro rata* contain the same quantity of the like Gold and Silver with the Piece of 8 *Rials*, go in one Specie for more, in another for less. What has been said of the Silver Species, may be said of the Gold Species; and what Differences are between Silver and Silver, and between Gold and

Gold, are also between Silver and Gold Coyns. So as it becomes a Trade to study and make Advantages of these Irregularities to the Prejudice of the good People, who are taught, That *whatever is call'd Money, is the same, and regular, and uniform, and a just Measure of all Commodities.* From whence it hath happen'd that all *English* Money, which hath a great and deserv'd Reputation in the World for its Intrin-sick Goodness, is quite carried out of *Ireland*, and such Money brought instead of it, as these studied Merchants do from time to time bring in for their Advantage upon the Common People, their Credulity and Ignorance.

Now the extraordinary Decrease both of Gold and Silver put Men, whose Affairs were much embarrass'd thereby, upon extraordinary Conceits, and some very absurd ones for Remedy; as namely, the Raising of *Spanish* Pieces of Eight, call'd Cobs in *Ireland*, from 4s. 9d. to Five or Six Shillings, which were before about Five Pence above the value of *English*, that is 4s. 4d. *English* Money weigh'd the same with a Cob call'd 4s. 9d. For these distracted People thought that calling their Money by a better name, did encrease its Value.

They thought that no Man would carry Cobs of 5s. out of *Ireland* into *England*, where they were call'd but 4s. 4d. although he was necessitated to pay 4s. 4d. in *England*, and had no other Effects to do it with. They imagined that such Men who lived in *England* would return to their Estates in *Ireland*, rather than pay 1s. per Cent. Exchange; not considering that when Cobs were raised, that Exchange would also rise proportionably. They fancied, that he who sold a Stone of Wool for Two Cobs, call'd 9s. when Cobs were raised would sell his Stone for a Cob and a half when called 9s. Nor did they think how this frivolous Conceit would have taken away a proportionable part of all Landlords Estates in *Ireland*: As for example, those who acted moderately would have raised the Money one 20th. part, and the 20th part of all the Money of *Ireland* was then thought to be about 20,000l. the whole Cash being estimated but 400000l. whereas the Landlords of *Ireland*, whose Revenue is 800000l. per Ann. must have lost one 20th part of their whole Estates for ever, viz. 40000l. per Annum of their whole Estates.

It may be objected, that the above Computation of the Current Cash, and Rents of Lands differs now from what

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was made in his time; and that notwithstanding his Notions, the Kingdom seems improved both in Land and Money, altho' the Coin has stood raised for a long time since above its true and real Value. Yet I must still affirm, that his Observations are just; and tho' the Nation is now Richer, and Land rises, yet the true Cause of both is not from keeping the Coin raised, but from a greater Trade, and a more ample Consumption of the natural Product, as also by the Improvement of home Manufactures.

Having given a Specimen of Sir *William Petty's* Observations on the Money of *Ireland*, in his *Political Anatomy*, I shall inculcate his way of Reasoning on that important Subject, by the Opinion and Judgment of Sir *William Temple*, in his Essay upon the *Advancement of the Trade in Ireland*, written to the Lord *Essex*, then Lord Lieutenant of *Ireland*.

Dublin, July 22d. 1673.

" SINCE my late Arrival in *Ireland*, (says he) I have found
 " a very unusual, but I doubt a very just Complaint concerning the Scarcity of Money; which occasion'd many
 " airy Propositions for the Remedy of it, and among the
 " rest that of Raising some or all the Coins here. This
 " was chiefly grounded upon the Experience made, as they
 " say, about the Duke of *Ormond's* coming first over hither
 " in 1663. when the Plate Pieces of Eight were raised
 " Three Pence in the piece, and a mighty Plenty of Money
 " was observed to grow in *Ireland* for a Year or two after.
 " But this seems to me a very mistaken Account, and to have
 " depended wholly upon other Circumstances little taken
 " notice of, and not at all upon the Raising of the Money,
 " to which it is by some Great Men attributed. For first,
 " there was about that time a general Peace and Serenity,
 " which had newly succeeded a general Trouble and Cloud
 " throughout all His Majesty's Kingdoms; then after Two
 " Years Attendance in *England* upon the Settlement of *Ireland*,
 " (then on the Forge) by all Persons and Parties here
 " that were considerably interested in it, the Parliament
 " being called here, and the main Settlement of *Ireland*
 " wound up in *England*, and put into the Duke of *Ormond's*
 " hands to pass here into an Act, all Persons came over in
 " shoal, either to attend their own Concernments in the
 " main, or more particularly to make their Court to the
 " Lord Lieutenant, upon whom His Majesty had at that
 " time

" time in a manner wholly devolved the Care and Dispo-
 " sition of all Affairs in this Kingdom. This made a sud-
 " den and mighty stop of that Issue of Money, which had
 " for two Years run perpetually out of *Ireland* into *England*,
 " and kept it all at home: Nor is the very Expence of the
 " Duke of *Ormond*'s own Patrimonial Estate, with that of
 " several other Families that came over at that time,
 " of small Consideration to the Stock of this Kingdom.
 " Besides, there was a great Sum of Money in ready Coin
 " brought over out of *England* at the same time, towards
 " the Arrears of the Army. Which are all Circumstances
 " that must needs have made a mighty Change in the
 " Course of ready Money here. All the Effect that I con-
 " ceive was made by crying up the Pieces of Eight, was
 " to bring in much more of that Species instead of others
 " current here, (as indeed all the Money brought from
 " *England*, was of that sort, and complained of in Par-
 " liament to be a worse Allay) and to carry away much
 " *English* Money in Exchange for Plate Pieces; by which
 " a Trade was driven very Beneficial to the Traders, but of
 " mighty Loss to the Kingdom in the intrinsick Value of
 " their Money.

He further adds, " That the Crying up of any Species
 " of Money, will but encrease the Want of it in general;
 " for while there go not out Commodities to Ballance
 " that which is brought in, and no Degree of Gains by Ex-
 " portation will make amends for the Venture, what
 " should Money come in for, unless it be to carry out o-
 " ther Money, as it did before, and leave the Stock that
 " remains equal indeed in Denomination, but lower in
 " the intrinsick Value than it was before?

Thus it is evident, that by the Writings of the Two
 foregoing Authors, (tho' publish'd in different Periods of
 Time) their Sentiments, as to the Raising the Coin of this
 Kingdom were the same, and allow'd by both to be an
 idle and empty Expedient for the bringing in of Money,
 or for the keeping it, when brought into the Kingdom.

I shall endeavour to support the Arguments of the Two
 foregoing Authors, by the Opinion and Writings of the
 ingenious Mr. *Locke*, in his Essays upon raising the Value
 of Money.

Silver is the Instrument and Measure of Commerce in all
 Civiliz'd and Trading Parts of the World. It is the In-
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sick Value of Silver consider'd as Money, is that Estimate which common Consent has plac'd on it, whereby it is made equivalent to all other things, and consequently is the Universal Barter or Exchange, which Men give and receive for other things they would purchase or part with for a valuable Consideration: And thus as the Wise Man tells us, *Money answers all things.*

Silver is the Measure of Commerce by its Quantity, which is the Measure also of its Intrinsic Value. If one Grain of Silver has an intrinsic Value in it, two Grains have double that intrinsic Value, and three Grains treble, and so on proportionably. This we have daily Experience of, in common Buying and Selling: For if one Ounce of Silver will buy, *i. e.* is of equal Value to one Bushel of Wheat, two Ounces of Silver will buy two Bushels of the same Wheat, *i. e.* has double the Value.

Hence it is evident, that an equal Quantity of Silver is always of equal Value to an equal Quantity of Silver. This, common Sense, as well as the Market teaches us. For Silver being all of the same Nature and Goodness, having all the same Qualities, 'tis impossible but it should in the same Quantity have the same Value. For if a less Quantity of any Commodity be allow'd to be equal in Value to a greater Quantity of the same sort of Commodity, it must be for some good Quality it has, which the other wants. But Silver to Silver has no such Difference.

Here it may be ask'd, is not some Silver finer than other? I answer, one Mass of mixed Mettle not discerned by the Eye to be any thing but Silver, and therefore called Silver, may have a less mixture of baser Mettle in it than another, and so in common Speech is said to be finer Silver. So Ducatoons having a less mixture of Copper in 'em than the English Coin has, are said to be finer Silver; but the Truth is, the Silver that is in each is equally fine, as will appear when the baser Mettle is separate from it: And 'tis of this pure or fine Silver I must be understood, when I mention Silver; not regarding the Copper or Lead, which may chance to be mix'd with it: For example, Take an Ounce of fine Silver, and one fourth of an Ounce of Copper and melt them together, one may say of the whole Mass, that it is not fine Silver, but it is true there is an Ounce of fine Silver in it: and though this Mass weighing one Ounce and a quarter, be not of equal Value

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to an Ounce and a quarter of fine Silver, yet the Ounce of fine Silver in it, is (when separate from the Copper) of value to any other Ounce of fine Silver.

By this Measure of Commerce, *viz.* the Quantity of Silver, Men measure the Value of all other things. Thus to measure what the value of Lead is to Wheat, and of either of them to a certain sort of Linnen Cloth, the quantity of Silver that each is valued at or sells for needs only be known. For if a Yard of Cloth be sold for half an Ounce of Silver, a Bushel of Wheat for one Ounce, and a Hundred weight of Lead for two Ounces, every one presently sees and says that a Bushel of Wheat is double the value of a Yard of that Cloth, and but half the value of an Hundred weight of Lead.

Silver is the thing bargained for, as well as the Measure of the Bargain; and in Commerce passes from the Buyer to the Seller, as being in such a Quantity equivalent to the thing sold: And so it not only measures the value of the Commodity it is apply'd to, but is given in exchange for it, as of equal value: But this it does (as is visible) only by its Quantity and nothing else. For it must be remembered, that Silver is the Instrument, as well as the Measure of Commerce, and is given in exchange for the things Traded for; and every one desiring to get as much as he can for any Commodity he sells, 'tis by the Quantity of Silver he gets for it in exchange, and by nothing else, that he measures the Value of the Commodity he sells.

The Coyning of Silver, or making Money of it, is the ascertaining of its Quantity by a publick Mark, the better to fit it for Commerce. In Coyn'd Silver or Money there are these Three things. 1. Pieces of exactly the same Weight and Fineness. 2. A Stamp set on those Pieces by the Publick Authority of that Country. 3. A known Denomination given to those Pieces by the same Authority.

The use of Coyn'd Silver or Money is, that every Man in the Country where it is current by publick Authority, may without the trouble of Refining, Essaying, or Weighing, be assured what Quantity of Silver he gives, receives, or contracts for under such and such Denominations.

Men in their Bargains contract not for Denominations or Sounds, but for the intrinsick Value; which is the Quantity of Silver by Publick Authority warranted to be in Pieces of such Denominations. And it is by having a greater Quantity

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Quantity of Silver that Men thrive and grow richer, and not by having a greater number of Denominations; which when they come to have need of their Money will prove but empty Sounds, if they do not carry with them the real Quantity of Silver expected. Raising of Coin is but a specious Word to deceive the unwary, it only gives the usual Denomination of a greater quantity of Silver to a less; (*e. g.* calling four Grains of Silver a Penny to day, when five Grains of Silver made a Penny yesterday) but adds no Worth or real Value to the Silver Coin, to make an amends for its want of Silver. That is impossible to be done: For it is only the Quantity of Silver that is in it, that is, and eternally will be the Measure of its Value. And to convince any one of this, I ask, whither he that is forced to receive but 320 Ounces of Silver under the Denomination of 100*l.* for 400 Ounces of Silver which he lent under the like Denomination of 100*l.* will think these 320 Ounces of Silver however denominated worth those 400 Ounces he lent? If any one can be supposed so silly, he need but go to the next Market or Shop to be convinc'd, that Men value not Money by the Denomination, but by the Quantity of Silver that is in it. One may as rationally hope to lengthen a Foot, by dividing it into thirteen parts, instead of twelve, and calling them Inches, as to encrease the value of the Silver that is in a Shilling, by dividing it into Thirteen parts instead of Twelve, and calling them Pence. This is all that is done when a Shilling is rais'd from Twelve to Thirteen Pence.

The Raising of the Value of Money, or any thing else, is nothing but the making a less Quantity of it exchange for any other thing, than would have been taken before; for *e. g.* If 5*s.* will exchange for (or as we call it) buy a Bushel of Wheat, if you can make 4*s.* buy a Bushel of the same Wheat, it is plain the value of your Money is raised in respect of Wheat one Fifth. But thus nothing can Raise or Fall the value of your Money, but the Proportion of its Plenty or Scarcity, in proportion to the Plenty, Scarcity or Vent of any other Commodity with which you compare it, or for which you would exchange it. And thus Silver, which makes the intrinsick value of Money, compared with it self, under any Stamp or Denomination of the same or different Countries cannot be raised: For an Ounce of Silver, whether in Pence, Groats, or Crown-pieces, Stivers or

or Ducatoons, or Bullion is and always will be of equal value to any other Ounce of Silver, under what Stamp or Denomination soever; unless it can be shewn that any Stamp can add any new and better Qualities to one parcel of Silver which another wants.

Silver therefore being always of equal Value to Silver, the value of Coyn, compared with Coyn, is greater, less, or equal, only as it has more, less or equal Silver in it. And in this respect you can by no manner of way raise or fall your Money.

Hitherto we have only considered the Raising of Silver Coyn; there is yet another way of Raising Money, which has something more of Reality, though as little good as the former in it. The Raising I mean, is, when either of the two richer Mettles, (which Money is usually made of) is by Law raised above its natural Value in respect of the other. Gold and Silver have, in almost all Ages and Parts of the World (where Money was used) generally been thought the fittest Material to make it of. But there being a great Disproportion in the Plenty of these Mettles in the World, one has always been valued much higher than the other; so that one Ounce of Gold has exchanged for several Ounces of Silver: As a Guinea passing for 21*s.* 6*d.* in Silver, Gold is about fifteen and a half times more worth than Silver, there being about fifteen and a half times more Silver in 21*s.* 6*d.* than there is Gold in a Guinea; that being the Market Rate of Gold to Silver. If by an Establish'd Law the Rate of Guineas should be set higher, as to 22*s.* 6*d.* they would be raised indeed but to the Loss of the Kingdom. For by this Law Gold being raised 5 *per Cent.* above its natural true Value, Foreigners would find it worth while to bring their Gold hither, and so carry away our Silver at 5 *per Cent.* Profit, and so much Loss to us. For when so much Gold, as would purchase but 100 Ounces of Silver any where else, will in *England* purchase the Merchant 105 Ounces, what shall hinder him from bringing his Gold in to so good a Market, and either selling it at the Mint, where it will yield so much, or having it coyn'd into Guineas, and then (going to Market with his Guineas) he may buy our Commodities at the Advantage of 5 *per Cent.* in the very sort of his Money; or change them into Silver, and carry that away with him.

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On the other side, if by a Law you would raise your Silver Money, and make Four Crowns or Twenty Shillings in Silver equal to a Guinea, at which rate I suppose it was first coyn'd, so that by your Law a Guinea should pass but for 20s. the same Inconveniency would happen; for then Strangers would bring in Silver, and carry away your Gold, which was to be had here at a lower Rate than any where else.

The Effect indeed and ill Consequence of Raising either of these two Mettles in respect of the other, is more easily observed, and sooner found in raising Gold than Silver Coyn. Because your Accounts being kept, and your Reckonings all made in Pounds, Shillings and Pence, which are Denominations of Silver Coyns, or Numbers of them; if Gold be made current at a Rate above the Price and Market Value of those two Mettles, every one will easily perceive the Inconvenience. For there being a Law for it, you cannot refuse the Gold in Payment for so much; and all the Money or Bullion People will carry beyond Sea from you, will be in Silver; and the Money or Bullion brought in will be in Gold. And the same just will happen when your Silver is raised and Gold debased in respect of one another, beyond their true and natural Proportion: [Natural Proportion or Value I call that respective Rate they find any where without the Prescription of Law.] For then Silver will be that which is brought in, and Gold will be carried out; and that still with Loss to the Kingdom, answerable to the over-value set by the Law, only as soon as the Mischief is felt, People will (do what you can) raise their Gold to its natural Value. For your Accounts and Bargains being made in the Denomination of Silver Money, if when Gold is raised above its Proportion by the Law, you cannot refuse it in Payment, as if the Law should make a Guinea Current at Three and Twenty Shillings and Six Pence, you are bound to take it at that Rate in Payment. But if the Law should make Guineas current at Twenty Shillings, he that has them is not bound to pay them away at that Rate, but he may keep them if he pleases, or get more for them if he can: Yet from such a Law one of these Three things will follow, either first the Law forces them to go at Twenty Shillings, and then being found passing at that Rate, Foreigners make their Advantage of it: Or secondly, People keep them up, and will not
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part with them at the Legal Rate, knowing 'em to be worth more, and then all your Gold lies dead, and is of no more use to Trade, than if it were all gone out of the Kingdom. Or Thirdly, It passes for more than the Law allows, and then your Law signifies nothing, and had better been let alone; which way soever it succeeds, it proves either Prejudicial or Ineffectual. If the Design of your Law takes place, the Kingdom loses by it: If the Inconvenience be felt and avoided, your Law is Eluded.

It is evident therefore, *That Money is the Measure of Commerce*, and the Rate of every thing, and therefore ought to be kept (as all other measures) as steady and invariable as may be. But this cannot be if your Money be made of two Mettles, whose Proportion, and consequently whose Price constantly varies in respect of one another. Silver for many Reasons is the fittest of all Mettles to be this Measure, and therefore generally made use of for Money: But then it is very unfit and inconvenient that Gold, or any other Mettle should be made Current Legal Money, at a standing settled Rate. This is to set a Rate upon the varying Value of things by a Law, which justly cannot be done; and is, as I have shewed, as far as it prevails, a constant Damage, and Prejudicial to the Country where it is practised.

Twenty Guineas, though design'd at first for Twenty Pounds, went current lately in *England* for 21*l.* 10*s.* as any other Money, and sometimes for more the Rate varied. The Value or Price of any thing being only the respective Estimate it bears to some other which it come in competition with, can only be known by the Quantity of the one, which will exchange for a certain Quantity of the other: There being no Two things in Nature, whose Proportion and Use does not vary, 'tis impossible to set a standing regular Price between them. The growing Plenty or Scarcity of either, bringing either of them more into Demand than formerly, presently varies the Respective Value of any two things: So that there being little Silver, and a great deal of Gold now Current in *England*, Guineas are fallen lately to Twenty-one Shillings, which is Six Pence less than they formerly passed for, to proportion the Par between the Gold and Silver, and to settle and regulate to Value of Gold to Silver. Notwithstanding that Guineas are fallen in *England* for the Reasons above-men-

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tioned, yet the People of *Ireland*, who are generally fond of Old Customs, keep their Guineas and other Gold up at the same current Rate, not considering that by so doing, Gold will be brought into *Ireland* to carry out the Silver.

For Example, 100 Guineas pass in *England* and are changed for 105*l.* in Silver Money: 100 Guineas go in *Ireland* and are changed for 115*l.* in Silver Money of *England*; 105*l.* of *English* Money in Silver is worth 113*l.* 15*s.* of *Irish* Money in Silver, or more properly of *Irish* Denomination. So that there is wanting 1*l.* 5*s.* to make up 113*l.* 15*s.* 115*l.* for which 100. Guineas pass for in *Ireland*, which is 3*d.* in every Guinea above the Rate of Gold to Silver; and so in proportion in Pistoles, Moydores and other Gold Coyns as they stand Raised above their Intrinsick Value, which with the Advantage of Exchange, and other Turns in Money-matters, which the Bankers and others well understand, and have always in Practice, is sufficient to drain the Kingdom of all its Silver Money. Moreover it is certain that all Persons conversant in Trade, will take such Steps and Measures as are most profitable and advantagious to themselves. So that when *English* Merchants have occasion to buy the Commodities of *Ireland*, they will send over Guineas to purchase 'em, and not Silver; because first, Gold is more portable and easier of Carriage, and secondly, it is more profitable to Traffick in that Species, there being 3*d.* in every Guinea Profit to such as will bring them over, either to change them into the Silver Money of *England*, or else to lay them out in the buying of Commodities. On the other hand, such Persons as owe Money in *England*, and are obliged to Balance their Accounts in Specie, will send over the Silver Coyn from hence when Exchange is high, to Pay their Debts contracted in *England*; as also to purchase the Commodities of that Country.

It is true indeed, and may be objected, that it is more difficult to carry out the Silver, and that it is not worth the while of private Persons to load themselves, and venture any considerable Sums upon so small a Profit. I will readily grant that there is no great danger of draining the Kingdom of all its Silver by the hands of such People; but Bankers and others who deal for considerable Sums of Money will consider their own Gains for small Profit and Advantage, and must be allowed that it is as easy to carry out the Silver from hence into *England*, as it was to bring it from

from *England* hither. Silver does not grow in *Ireland*, nor have we any Mint here, nay all our Silver Coyns are those of other Countries; so that what brought it here, may carry it away again: Nay, Trade it self with the Rents of *Ireland* spent Annually in *England*, is capable of doing it, without the apparent Injury, or rather Mischiefs of keeping up the Money rais'd above its true and intrinsick Value. I have heard it propos'd, as a way to keep our Money here, that we should pay our Debts contracted beyond Seas, by Bills of Exchange.

The idleness of such a Proposition will appear, when the nature of Exchange is a little consider'd.

Foreign Exchange is the paying of Money in one Country to receive it in another.

The Exchange is high, when a Man pays for a Bill of Exchange above the Par: It is low, when he pays less than the Par.

The Par is a certain Number of Pieces of the Coin of one Country, containing in them an equal Quantity of Silver to that in another number of Pieces of the Coyn of another Country, *e. g.* supposing 36 Skillings of *Holland* to have just as much Silver in them as 20*s.* *English*, Bills of Exchange drawn from *England* to *Holland*, at the Rate of 36 Skillings *Dutch* for each Pound *sterl.* is according to the Par. He that pays the Money in *England*, and receives it in *Holland*, neither gets nor loses by the Exchange; but receives just the same Quantity of Silver in one place, that he parts with in the other. But if he pays 1*l.* *sterl.* to receive but 30 Skillings in *Holland*, he pays one sixth more than the Par, and so pays one sixth more Silver for the Exchange, let the Sum be what it will.

The Reason of high Exchange is the buying much Commodities in any Foreign Country, beyond the Value of what that Country takes of ours. This makes People have need of great Sums there, and this raises the Exchange or Price of Bills; for what grows more in Demand, encreases presently in Price.

Returning Money by Exchange into other Countries, keeps not one Farthing from going out: It only prevents the more hazardous and more troublesome way of sending Money in Specie backwards and forwards. Bills of Exchange more commodiously, by Strips of Paper, even the Accounts between particular Debtors and Creditors in different

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ferent Countries, as far as the Commerce between those Two places are equivalent : But where the over-Balance on either side demands Payment, there Bills of Exchange can do nothing, but Bullion or Money in Specie must be sent. For in a Country where we owe Money, and have no Debts owing to us, Bills will not find Credit, but for a short time, till Money can be sent to reimburse those that paid them ; unless we think that Men beyond Sea will part with their Money for nothing. If the Traders of *Ireland* owe their Correspondents of *England* 100 000*l.* their Accounts with all the rest of the World standing equal, and remaining so, one Farthing of this 100 000*l.* cannot be paid by Bills of Exchange. For example, I owe 1000*l.* of it ; and to pay that, buy a Bill of Exchange of B— here, drawn on Rob. F—y of *London*, to pay H. C. my Correspondent there : The Money is paid accordingly, and thereby I am out of H. C's Debt, but one Farthing of the Debt of *Ireland* to *England* is not thereby paid ; for B— of whom I bought the Bill of Exchange is as much now indebted to Rob. F—y, as I was before to H. C. Particular Debtors and Creditors are only changed by Bills of Exchange. But the Debt owing from one Country to another, cannot be paid without real Effects sent thither to that Value, either in Commodities or Money. Where the Balance of Trade barely pays for Commodities with Commodities, there Money must be sent, or the Debt cannot be paid.

Money therefore is necessary to the carrying on of Trade, for where Money fails, Men cannot buy, and Trade stops.

Credit will supply the Defect of it to some degree for a little time, but Credit being nothing but the Expectation of Money within some limited time, Money must be had, or Credit will fail.

By Commerce Silver is brought in only by an over-balance of Trade.

An over-balance of Trade is, when all the Quantity of Commodities which we send to any Countries, do more than pay for those we bring from thence, for then the overplus is brought home in Bullion.

Bullion is Silver whose Workmanship has no Value, and thus foreign Coyn has no Value in *England* for its Stamp, and *English* Coin is Bullion in Foreign Dominions.

'Tis useless, and labour in vain, to Coyn Silver imported into any Country where it is not to stay. Silver

Silver imported cannot stay in any Country, in which by an Overbalance of their whole Trade, it is not made theirs, and doth not become a real Increase of their Wealth.

If by a general Balance of Trade, *Ireland* sends out Commodities to the value of 500 000 Ounces of Silver more than the Commodities we bring home from abroad cost us, there is 10 000*l.* every Year clear Gain, which will come home in Money, and be a real Increase of our Wealth, and stay here.

On the other side, if upon a general Balance of our whole Trade, we Yearly import Commodities from other Parts to the Value of 50 000*l.* more than our Commodities exported pay for, we yearly grow 50 000*l.* poorer.

There is one Objection, which is generally made use of, and is in every body's Mouth, that the keeping the Coyn here raised, prevents *Estated* People from living in *England*; and that it is a sort of a Tax upon those who live out of the Kingdom in the Return and Receipt of their Rents. It is very certain that it would be more advantageous to themselves and the Nation, if they would return, and live upon their *Estates*: But it is as true, that it hath not produc'd the desired Effect, especially among those of the richer sort; and I will be bold to say, that there are more People of *Estates* now residing in *England*, and have been for some years past, than there were fifty Years ago: and if their own Conveniencies and private Necessities will not bring 'em back, and oblige them to live at home, neither the Raising the Coyn, nor high Exchange which is the consequence of Raising the Money, will ever effect it. And it is very hard, nay very imprudent, that such, who live and spend their Fortunes in the Kingdom, should suffer, by continuing a Project so useless by Experience, and yet so pernicious in many Consequences.

It is evident therefore by the Observations and Arguments which have been mention'd, that the Raising the Coyn in *Ireland* above its natural Proportion, and intrinsic Value, hath proved prejudicial to the Interest of the Nation: And tho' I will not presume or take upon me to advise the Reducing the Coyn at present to the common Standard (which I heartily wish had never been raised) yet I hope it will be thought convenient by the Government to regulate and settle as soon as possible the Gold Species in proportion to the Silver, in order to keep the Silver in the Kingdom, and to prevent the Erecting of a Mint for Half Pence, which must be had when the Silver is gone, to answer the Necessities of the Markets, and the common Dealings of People. Moreover I am very well pleased to hear, that a Proclamation is Printed for the Reviving and Enforcing the Use of Scales and Weights, in order to prevent the prodigious Currency of Light and Deceitful Money, a Practice so infamous and injurious to the Nation.

I am Sir,

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